

[24th July, 2000]

RAJYA SABHA

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY): (a) and (b) There is no separate policy for the disinvestment in loss making PSUs. The disinvestment of Government shareholding in PSUs is being done as per the declared policy to bring down the Government shareholding to 26% or below in the generality of cases. In cases of PSUs involving strategic considerations, Government will continue to retain majority holding.

(c) Disinvestment process started from the year 1991-92. During 1991-92 to 1999-2000 an aggregate amount of Rs.18,638 crore has been realised through disinvestment in PSUs.

(d) and (e) Disinvestment is carried out in accordance with a prescribed procedure and there is no delay in implementing the disinvestment decisions.

(f) There are no separate norms/procedures for disinvestment in loss making PSUs. Disinvestment in such companies is governed by the declared disinvestment policy of the Government.

#### **Disinvestment in PSUs**

43. SHRI S. AGNIRAJ: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government are adopting selective units for disinvestment;

(b) if so, the reasons therefor;

(c) what steps are being taken on priority basis to disinvest the sick and loss making units;

(d) whether Government are planning to rehabilitate the employees of the disinvesting PSUs;

(e) whether Government are planning to give VRS through Golden handshake; and

(f) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY):

(a) and (b) The recommendations of the Disinvestment Commission and the declared policy of the Government on disinvestment are the main criteria for deciding about disinvestment in specific PSUs.

(c) There is no separate policy for disinvestment in loss incurring units.

(d) Government is committed to protect the interests of workers in all cases of disinvestment in PSUs.

(e) and (f) The Voluntary Retirement Scheme is already available to the employees of all PSUs. Under the existing scheme compensation is permitted on a scale of 45 days salary for each completed year of service subject to the quantum not exceeding the salary which the employee is to draw for the balance of service left. An employee should have put in a minimum of 10 years of service or attained the age of 40 years.

Under the modified scheme, enterprises, which are financially sound and capable of funding scheme on their own resources, may implement therein own variants of the existing VRS. The compensation, however, will not exceed 60 days salary for each completed year of service or the salary for the number of months' service left before superannuation whichever is less.

Enterprises that are marginally profit making or incurring losses are to adopt a revised and improved pattern of VRS modelled on scheme introduced in Gujarat. Under this arrangement 35 days salary will be offered for each completed year of service and 25 days of salary for each year of service left until superannuation. The compensation will not however, exceed the total salary of the employees for the balance of service left.

In case of units which are sick and facing closure, a scheme of Voluntary Separation (VSS) has already been introduced as per the announcement made by the Finance Minister in his budget speech for the year 1998-99. The scheme provides a safety-net to the workers offering them higher compensation relief than the statutory retrenchment compensation. Budgetary support is visualised in case bank credit or other means are not available for funding the VRS/VSS.